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EXTRAORDINARY

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PART II — Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in Lok Sabha on 19th December, 2003:—

BILL No. 90 OF 2003

*A Bill further to amend the Indian Telegraph Act, 1885.*

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Telegraph (Amendment) No. 2 Act, 2003.

Short title and  
commence-  
ment.

(2) It shall be deemed to have come into force on the 1st day of April, 2002.

13 of 1885.

2. In section 3 of the Indian Telegraph Act, 1885 (hereinafter referred to as the principal Act), clause (1) shall be renumbered as clause (1AA) and before clause (1AA) as so renumbered, the following clauses shall be inserted, namely:—

Amendment  
of section 3.

‘(1) “Fund” means the Universal Service Obligation Fund established under sub-section (1) of section 9A;

(1A) “Universal Service Obligation” means the obligation to provide access to basic telegraph services to people in the rural and remote areas at affordable and reasonable prices;’.

3. In section 4 of the principal Act, in sub-section (1), the following *Explanation* shall be inserted at the end, namely:—

Amendment  
of section 4.

*“Explanation.—The payments made for the grant of a licence under this sub-section shall include such sum attributable to the Universal Service Obligation as may be determined by the Central Government after considering the recommendation made in this behalf by the Telecom Regulatory Authority of India established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997.”* 24 of 1997.

Amendment  
of section 7.

4. In section 7 of the principal Act, in sub-section (2), after clause (ee), the following clauses shall be inserted, namely:—

“(eea) the manner in which the Fund may be administered;

(eeb) the criteria based on which sums may be released.”.

Insertion of  
new Part II-A.

5. After Part II of the principal Act, the following Part shall be inserted, namely:—

#### “PART IIA

##### UNIVERSAL SERVICE OBLIGATION FUND

Establishment  
of Universal  
Service  
Obligation  
Fund.

9A. (1) On and from the commencement of the Indian Telegraph (Amendment) No. 2 Act, 2003, there shall be deemed to have been established, for the purposes of this Act, a Fund to be called the Universal Service Obligation Fund.

(2) The Fund shall be under the control of the Central Government and there shall be credited thereto—

(a) any sums of money paid under section 9B;

(b) any grants and loans made by the Central Government under section 9C.

(3) The balance to the credit of the Fund shall not lapse at the end of the financial year.

Crediting of  
sum to  
Consolidated  
Fund of India.

9B. The sums of money received towards the Universal Service Obligation under section 4 shall first be credited to the Consolidated Fund of India, and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the Fund from time to time for being utilised exclusively for meeting the Universal Service Obligation.

Grants and  
loans by  
Central  
Government.

9C. The Central Government may, after due appropriation made by Parliament by law in this behalf, credit by way of grants and loans such sums of money as that Government may consider necessary in the Fund.

Administration  
and  
utilisation of  
Fund.

9D. (1) The Central Government shall have the power to administer the Fund in such manner as may be prescribed by rules made under this Act.

(2) The Fund shall be utilised exclusively for meeting the Universal Service Obligation.

(3) The Central Government shall be responsible for the coordination and ensuring timely utilisation and release for sums in accordance with the criteria as may be prescribed by rules made under this Act.”.

Repeal and  
saving.

6. (1) The Indian Telegraph (Amendment) Ordinance, 2003, is hereby repealed.

Ord. 7 of 2003.

(2) Notwithstanding the repeal of the Indian Telegraph (Amendment) Ordinance, 2003, anything done or action taken under the principal Act as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

Ord. 7 of 2003.

## STATEMENT OF OBJECTS AND REASONS

The New Telecom Policy, 1999 as approved by the Cabinet provides that resources for meeting the Universal Service Obligation will be raised through a Universal Access Levy, which will be a percentage of revenue earned by the operators under various licences. Various service providers have been issued licences under section 4 of the Indian Telegraph Act, 1885, on certain terms and conditions. On the basis of recommendations of the Telecom Regulatory Authority of India, it has been stipulated that Universal Access Levy would be a part of the licence fee. With a view to implement the New Telecom Policy, it was decided to establish a fund with effect from the 1st April, 2002 to be called the "Universal Service Obligation Fund" by amending the Indian Telegraph Act, 1885 to meet the Universal Service Obligation. A Bill was accordingly introduced in the Lok Sabha which could not be passed. In order to give effect to the provisions of the Bill, an Ordinance was promulgated by the President on 5th November, 2003.

2. The Universal Service Obligation is the Government's commitment to provide access to basic telegraph services to people in rural or remote areas at affordable and reasonable prices. The licence fee including the sums of money received towards the Universal Service Obligation, shall first be credited to the Consolidated Fund of India and the Central Government may, if Parliament by appropriation made by law in this behalf so provides, credit such proceeds to the Fund from time to time for being utilised exclusively for meeting the Universal Service Obligation.

3. The Bill seeks to replace the Indian Telegraph (Amendment) Ordinance, 2003' (Ord. 7 of 2003).

NEW DELHI;  
*The 18th December, 2003.*

ARUN SHOURIE.

## FINANCIAL MEMORANDUM

Clause 5 of the Bill provides that the grants and loans made by the Central Government from the Consolidated Fund of India after due appropriation made by Parliament by law in this behalf shall be credited to the Universal Service Obligation Fund. It also provides that the Fund shall be utilised for the purpose specified in that clause.

2. The administration of Universal Service Obligation Fund will also involve some expenditure. It is not possible to indicate the quantum of expenditure involved at this stage. However, the expenditure that will be incurred for this purpose would be met out of the budgetary provisions of each year of the Ministry of Communications and Information Technology (Department of Telecommunication) as approved by the Parliament.

3. The provisions of the Bill do not involve any other expenditure of a recurring or non-recurring nature.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill provides for the manner in which the Fund shall be administered by the Central Government. It also provides the criteria in accordance with which the Central Government shall be responsible for the coordination and ensuring timely utilisation and release of sums.

2. The matter in respect of which rules may be made are matter of procedure or detail. Hence, the delegation of legislative power is of a normal character.

G. C. MALHOTRA,  
*Secretary-General.*